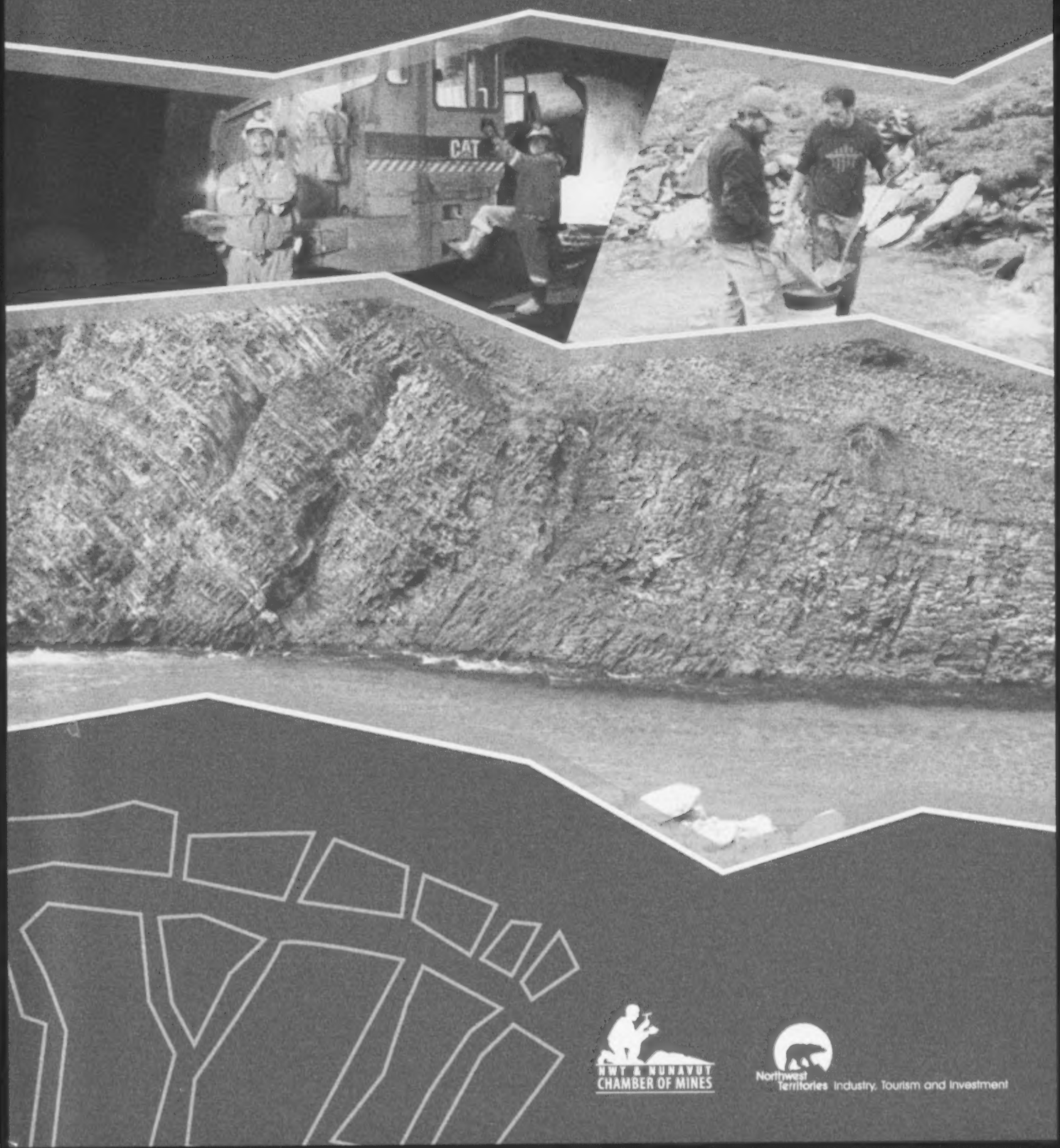
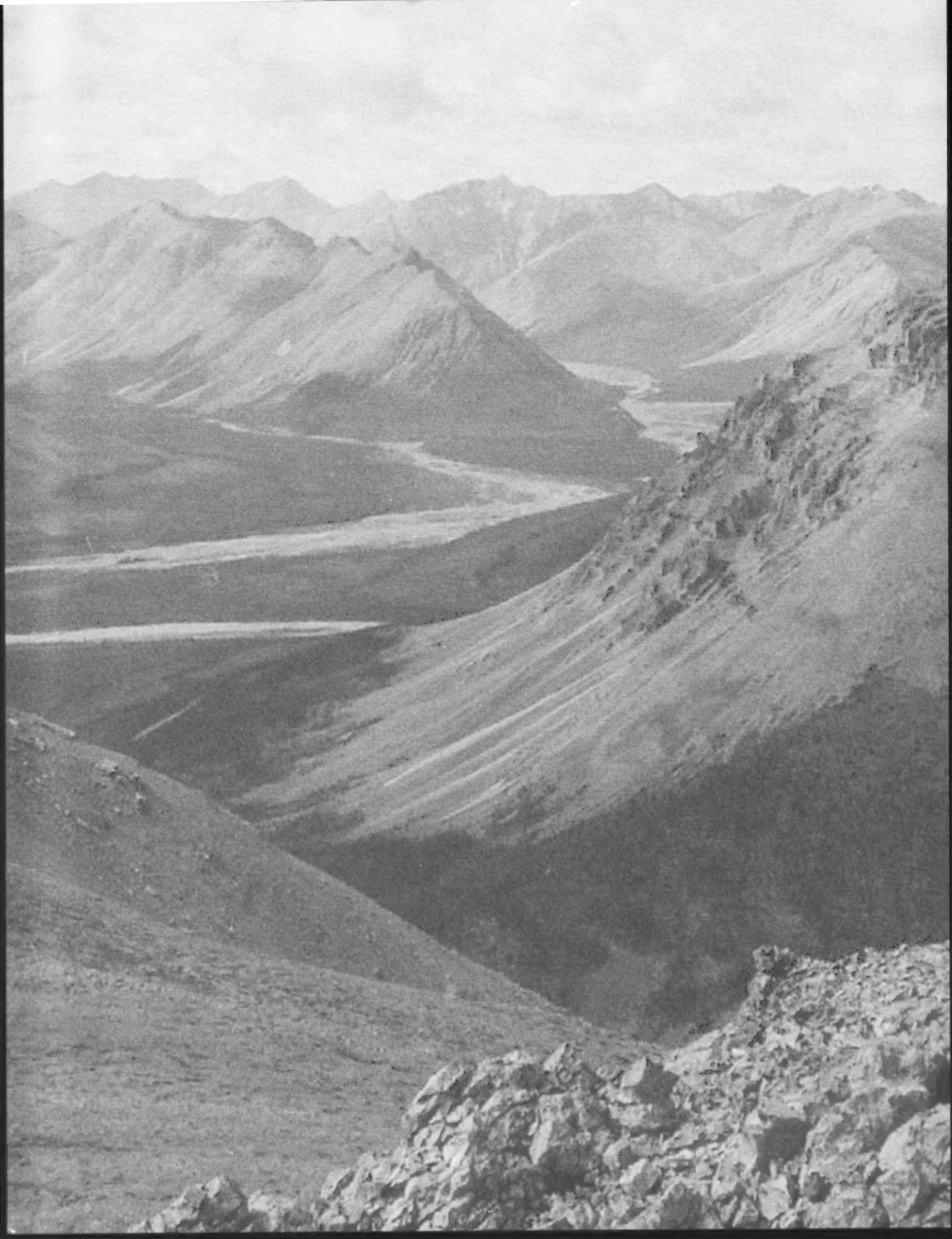
Northwest Territories Mineral Development Strategy



NWT & NUNAVUT CHAMBER OF MINES

Northwest Territories Industry, Tourism and Investment



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MESSAGE FROM THE PREMIER

The Government of the Northwest Territories has a vision of a strong, prosperous territory that provides opportunities for all our communities and regions. Sustainable, responsible development of our mineral resources is a significant part of realizing that vision, and strengthening our economy through the responsible development of these resources will allow us to reach our full potential.

A strong territory that supports its people starts with a strong economy. The Northwest Territories has the potential to be an economic powerhouse; we have a wealth of mineral resources, including diamonds, gold, cobalt, bismuth, tungsten and rare earths. We need a solid framework on which to build this potential.

The Mineral Development Strategy is that framework. It will support increased mineral exploration expenditures, ensure long-term sustainability of the minerals sector and maximize resident employment and business opportunities. Most importantly, the new Strategy represents a commitment — on the eve of our Devolution Agreement with Canada — that the NWT is serious about addressing our investment challenges and unlocking the mineral potential of our territory.

The Honourable Robert McLeod
Premier of the Northwest Territories

MESSAGE FROM THE MINISTER

For more than 80 years, mining has been the cornerstone of the Northwest Territories economy — and the vast mineral potential in our territory indicates that it will continue to be a central part of our economy for many years to come. To ensure the long-term growth of a sustainable mining industry, the GNWT, in partnership with the NWT and Nunavut Chamber of Mines and the business community, is pleased to present the NWT's first comprehensive Mineral Development Strategy.

The consultative process that went into the development of the *NWT Mineral Development Strategy* ensured that a wide spectrum of voices were heard, and that the collective experience of those closely tied to the mining industry were considered.

First and foremost, this Strategy will address weaknesses in our investment climate and restore our territory's competitive edge. Restoring a positive investment climate in the NWT is critical if we are to discover new deposits and establish new mines to replace our existing diamond mines as they move past the mid-point of their operating lives.

The Mineral Development Strategy will ensure our mineral resources continue to be developed in a way that benefits NWT residents, ensures development is sustainable, and upholds our commitment to protecting the environment and respecting the rights and traditions of NWT residents.

We are serious about addressing our investment challenges and unlocking our mineral potential. We intend to ensure responsible, sustainable development of the territory, one that encourages continued economic growth of the mining and exploration industry. We are willing to do what needs to be done to ensure responsible mineral development continues to play a key role in keeping our economy and communities strong — now and long into the future.

The Honourable David Ramsay
Minister of Industry, Tourism and Investment

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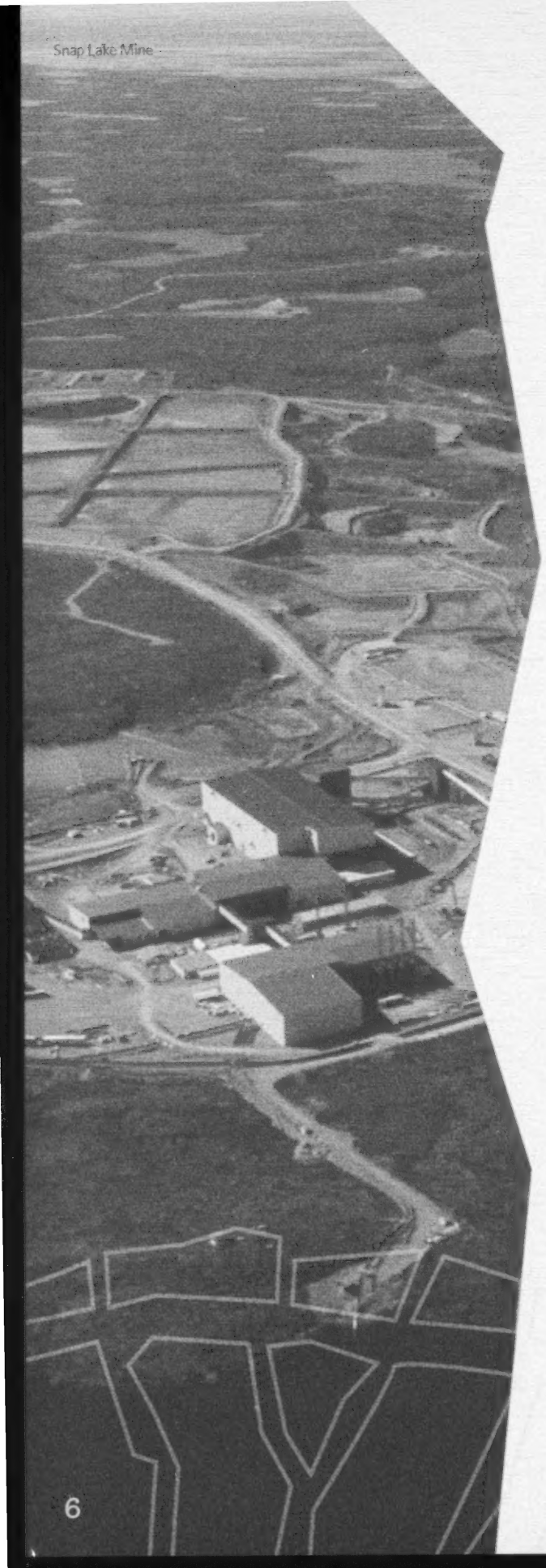


Snap Lake Mine

MESSAGE FROM THE PRESIDENT, NWT AND NUNAVUT CHAMBER OF MINES

We are very pleased to be partnering with the Government of the Northwest Territories on the first *NWT Mineral Development Strategy*.

Our northern minerals industry continues to anchor the NWT economy. It annually provides thousands of jobs, tremendous direct and indirect business opportunities, and contributes millions of dollars in revenues to governments and Aboriginal groups.

Since mines don't last forever, nor are they found overnight, it is critically important to our economic future that we take steps now to help sustain and grow the already significant benefits our industry creates.

This Mineral Development Strategy and the forthcoming Implementation Plans will guide us in taking appropriate actions to maintain a vibrant and beneficial mineral industry.

Mining is our economic strength and the timing is right to ensure that we keep it a vital part of our future.

Cathie Bolstad

President, NWT and Nunavut Chamber of Mines

EXECUTIVE SUMMARY

The purpose of the *NWT Mineral Development Strategy* is to realize, responsibly and sustainably, the full potential of the NWT's rich mineral resources and use it to ensure lasting prosperity for NWT residents and communities. A partnership between the Government of the Northwest Territories (GNWT) and the NWT and Nunavut Chamber of Mines, the Mineral Development Strategy (the Strategy) is a plan of action that will help to unlock the mineral potential in the territory and promote the NWT as an attractive investment opportunity.

Mineral exploration and mining activities form an important sector of the NWT economy. In addition to direct and indirect employment opportunities, mineral development provides important revenues for public governments — money that assists in supporting programs and services that are important to all NWT residents. In addition, Aboriginal governments, in settled claim regions, receive significant shares of mining royalties. To ensure that these benefits continue well into the future, it is important that a clear plan be established that will guide decision-making related to the minerals industry.

The *NWT Mineral Development Strategy* has been developed by the GNWT in partnership with the NWT and Nunavut Chamber of Mines using a consultative approach. In January 2013, the GNWT released a Discussion Paper that outlined the main issues that the Strategy must address. Following this, a Stakeholder Engagement Panel was appointed whose task was to collect the views of a broad range of stakeholders and Aboriginal groups and to make recommendations based on this information. The Panel released its report in June 2013 which laid the foundation for this Strategy. The recommendations outlined in the Panel's Report guide both the Strategy and annual Implementation Plans that will follow.

The *NWT Mineral Development Strategy* responds to identified needs that can be grouped under five pillars:

Pillar 1: Creating a Competitive Edge

Pillar 2: Establishing an Improved NWT Regulatory Environment

Pillar 3: Enhancing Aboriginal Engagement and Community Capacity Building

Pillar 4: Promoting Sustainability

Pillar 5: Enriching Workforce Development and Public Awareness

The recommendations derived from the engagement panel process are actions that governments, Aboriginal organizations, industry, and communities can take to ensure a vibrant, robust, and balanced mining industry that is maintained well into the future. From enhanced public geoscience programs to workforce needs assessments, these recommendations will help to ensure that sustainable and long-term benefits accrue to all residents of the NWT.

While the finalization of this Strategy marks a significant step, there is more work to be done. The pillars and goals of the Strategy set the stage for taking action through annual Implementation Plans. These will be considered living documents and will detail specific commitments, actions, and anticipated results with clear linkages to the vision, goals and pillars of the Strategy. Continued consultation and ongoing feedback will ensure the actions closely reflect the needs of stakeholders. It is necessary to work closely with all organizations that stand to benefit from the Strategy's actions, or are helping to enact them.

The Strategy has been developed with consideration of the *Economic Opportunities Strategy*, the *Land Use and Sustainability Framework*, *Multi-Modal Transportation Strategy*, *Corridors for Canada III — Building for Prosperity*, *Northwest Territories Geoscience Office Strategic Plan*, the *Workforce Planning Strategy*, the *Anti-Poverty Strategy*, *NWT Energy Action Plan* and *NWT Power System Plan*. Each of these strategic documents contains elements that contribute to the overall enhancement of economic development for the NWT.

INTRODUCTION

Mineral development activities have long contributed to the development, growth and diversity of the territorial economy. The relationship between the Northwest Territories and the rest of Canada has been, in part, defined by its mining heritage and its contribution to the Canadian Economy. This inaugural *NWT Mineral Development Strategy* represents a key component of a multi-faceted approach to promote the NWT as an exciting and attractive place to do business. In conjunction with the *NWT Economic Opportunities Strategy*, and the *NWT Energy Strategy*, this document sets the stage for a continued strong legacy for mining in the NWT, a sustained northern economy, and a plan that is environmentally responsible and truly benefits NWT residents.

Why prepare an NWT Mineral Development Strategy

Strengthening and diversifying the NWT economy was identified as a priority of the 17th Legislative Assembly. A key element of this priority was developing a socially responsible and environmentally sustainable Mineral Development Strategy.

Devolution of lands and resources brings a clear need for the GNWT to prepare for its new responsibilities. For the first time ever, NWT residents will inherit new control of the minerals industry, and with it, a significant contribution to the economic future of the NWT. More money will be available for the territorial government to invest in public priorities like health care, education, housing, roads, hospitals, schools and projects that improve the life in all NWT communities. There will also be more money for Aboriginal governments to invest in community needs and government capacity. Devolution will usher in a new era of prosperity and independence for the NWT.

It is important to establish a clear, long-term plan that will guide our actions in promoting a sustainable exploration and mining industry over the next decade. A clear plan of action will demonstrate a commitment, address investment challenges as well as regulatory, capacity and environmental challenges, and to promote the NWT as an attractive place to do business.

A number of initiatives are underway that will have a direct impact on the future of mineral development activity. For example, the finalization of Aboriginal land claims over much of the NWT has already established increased clarity with respect to roles and responsibilities related to land ownership, land access, and the structure and operation of licensing authorities. Ongoing successful negotiations of the remaining claims is expected, and will provide additional clarity for residents, governments, and industry.

The Mineral Development Strategy will encourage and facilitate all parties involved — the GNWT, industry, Aboriginal governments, community governments, and the Government of Canada — to work together by providing a framework for action and by establishing measurable goals for the next 10 to 15 years.

"Our vision is to realize — responsibly and sustainably — the full potential of our rich resource base and use it to ensure lasting prosperity for NWT residents and their communities."

- Hon. David Ramsay
Minister of Industry,
Tourism and Investment

Mining is important to the NWT

For more than 80 years, mineral exploration and development have been critical components of the NWT economy and have led to major infrastructure legacy developments, including the building of highways, rail lines and hydroelectric facilities.

The direct benefits of mining account for over one quarter of the NWT's Gross Domestic Product. Indirect benefits are also significant, through spending on transportation, construction and real estate. Mining is the largest private sector employer in the territory. Since 1998, the diamond mines alone have generated nearly $10 billion in NWT business contracts, over $4 billion of which were spent with Aboriginal-owned businesses and have created over 20,000 total person years of employment, nearly half of which were Aboriginal employees.

Impacts and Benefits Agreements — private agreements between a developer and impacted Aboriginal groups that outline how the associated Aboriginal community will share in benefits of the operation though employment and economic development — have resulted in millions of dollars in payments to communities in addition to increased Aboriginal employment and local business contracts.

Industry members have also contributed millions of dollars to social and community programs that have directly benefited NWT communities, families and residents. It is essential that the industry continues to be sustained over time to ensure these benefits continue to flow to NWT residents.

Preparing the Mineral Development Strategy was a highly consultative and inclusive process involving stakeholders and Aboriginal groups from each region of the NWT as well as members of the public.

Gem quality diamond called "Spirit", courtesy Ekati Diamond Mine.

An inclusive strategy development process

The impacts of development on both the social and environmental landscape were considered as significant factors in preparing the Strategy. Key considerations include how positive impacts of development can be increased and how negative impacts can be mitigated or avoided. When we consider social and environmental impacts, we consider the impacts on those of us living here today, as well as the potential effects of development on future generations. This Strategy sets the foundation for a sustainable future.

Consultation with key partners was also an essential element of this Strategy. In January 2013, the GNWT released a discussion paper that identified the important elements and issues to be considered. Subsequent to this, a three-person Stakeholder Engagement Panel was established to facilitate discussion among parties. In the course of three months and 40 meetings, the Panel heard the perspectives of more than 60 organizations across the NWT. The Stakeholder Engagement Panel also received submissions from members of the public at large. Groups and organizations that provided input include:

- Aboriginal development corporations and companies;
- Aboriginal governments;
- Education and training institutions;
- Mining and minerals exploration companies;
- Municipal, territorial and federal governments;
- Non-Governmental Organizations representing environmental, social and business interests;
- NWT businesses including businesses that provide goods and services to the minerals industry;
- Prospectors;
- Regulatory bodies.

Relation to other strategies and initiatives

The *NWT Mineral Development Strategy* is an integral part of a broader effort to build a sustainable NWT economy. The Strategy is being developed simultaneously with, and in consideration of the following:

- *NWT Economic Opportunities Strategy,*
- *Land Use and Sustainability Framework,*
- *Multi-Modal Transportation Strategy,*
- *Corridors for Canada III – Building for Prosperity*
- *Northwest Territories Geoscience Office Strategic Plan,*
- *Workforce Planning Strategy,*
- *Anti-Poverty Strategy,*
- *A NWT Energy Plan.*

Each of these strategic documents contains elements that contribute to the overall enhancement of economic development for the NWT.

The *NWT Devolution of Lands and Resources Agreement* and the Federal Government's *Action Plan for Northern Regulatory Reform* also have enormous implications for mineral development.

Devolution will result in the transfer of the management of land and resources from the Federal Government to the Government of the Northwest Territories. Devolution will ensure NWT residents have a greater voice in how decisions about public land, water and resources are managed, how the economy is developed and how the environment is protected. Over the long term, Devolution is also expected to result in improved legislative and regulatory frameworks that meet the needs and goals of the territory.

The Federal Action Plan for Northern Regulatory Reform is nearing completion. Launched in 2010, the Action Plan will complete and strengthen current regulatory regimes in the North and will focus on three elements that will:

- Provide more efficient and effective processes;
- Enhance environmental stewardship; and
- Reflect a strong Aboriginal voice.

The Action Plan is intended to address many longstanding criticisms of the northern regulatory regime. Many immediate actions of the *NWT Mineral Development Strategy*, will better position the territory to encourage development while maintaining environmental stewardship and accruing socio-economic benefits.

The Strategy is not being developed in isolation. It is an integral part of a broader effort to build a sustainable northern economy.

State of the Industry

The mining industry is strong and stable in the NWT. It is the largest private sector employer in the territory and has a thriving service segment. The technological advances and innovation necessary to operate in the challenging northern environment have produced an industry that, with ongoing planning and foresight, will continue to be a strong contributor to the NWT economy.

A concerted effort is necessary for maintain a sustainable NWT mining industry. As operating mines mature, new mines are needed to replace them. Our existing mines are reaching the natural end of their operating lives. Though there are projects on the horizon there is a need to reinvigorate grassroots development.

Mine	Company	Commodity	Production	Employment (PY) 2011
Diavik	Rio Tinto	Diamonds	6.7 Million Carats	1,137
Ekati	BHP Billiton	Diamonds	2.5 Million Carats	1,528
Snap Lake	De Beers Canada	Diamonds	<900,000 Carats	635
Cantung	North American Tungsten	Tungsten	2.5 Million kg WO_3	204

The NWT is the western hemisphere's largest producer of tungsten concentrate

Mines don't last forever, and fewer than 1 in 1,000 exploration projects will result in a producing mine. The average time to find a mine is 10 to 15 years from discovery to production. Fostering a vibrant minerals exploration industry is essential to sustaining our industry and the economic prosperity it provides.

The NWT has excellent potential for new mineral discoveries by virtue of its large land area, favourable geology, and large tracts of relatively unexplored lands. But despite its excellent mineral potential, the NWT currently lags behind other Canadian jurisdictions in exploration investment. While the NWT landmass constitutes 13.5 per cent of Canada, the territory's total exploration expenditures have declined over the past five years to less than three per cent of the Canadian total.

The contrast with Nunavut and Yukon is striking: Nunavut has attracted approximately four times as much exploration investment as the NWT and Yukon about twice as much. Furthermore, current NWT expenditures are largely for advanced exploration projects and deposit appraisal, with very few grassroots projects underway. This drop in grassroots exploration activity has provided a serious warning about the investment climate for exploration in the NWT and is a key factor in developing this Strategy.

Looking for opportunities in the Mackenzie Mountains. Photograph courtesy of Aurora Geosciences Ltd.

Strengths, weaknesses, opportunities and threats

As part of the initial analysis and basis for this Strategy, a strengths, weaknesses, opportunities and threats (SWOT) analysis was conducted. A key role of the Strategy is to capitalize on the strengths and opportunities while mitigating or avoiding to the extent possible, weaknesses and threats. SWOT analyses are an effective and common method in the development of strategic planning and public policy analysis. The findings of the SWOT analysis have been incorporated in the development of the Strategy.

MINERAL DEVELOPMENT STRATEGY

Vision

The Vision of the Mineral Development Strategy is to realize, responsibly and sustainably, the full potential of our rich mineral resources and use it to ensure lasting prosperity for NWT residents and communities.

Principles

Mineral Development should provide a legacy of positive benefits for NWT residents.

The *NWT Mineral Development Strategy* will provide the foundation for mineral development that will benefit current and future generations.

The environment must be considered and respected.

Progressive environmental oversight and management practices will make certain the NWT land remains healthy for future generations.

Clear, transparent and certain regulation guide responsible, sustainable mineral development

Investors will be provided with clarity with respect to the permitting process, transparency in decision making, and certainty about access to land for mineral exploration and development.

The rights and traditions of Aboriginal people should be respected.

The Strategy partners will work closely with Aboriginal governments and communities to ensure that the *NWT Mineral Development Strategy* is consistent with land claims agreements, Aboriginal rights and title and is respectful of traditional lifestyles.

Cooperation and partnerships are essential to achieve sustainable mineral development.

For the NWT to be successful in achieving the vision of a vibrant industry and lasting prosperity, all partners need to work together for sustainable mineral development.

The NWT is a destination of choice for responsible and sustainable mineral investment, exploration and development.

Through the *NWT Mineral Development Strategy*, the NWT will become known as a highly attractive destination for responsible and sustainable mineral development.

Pillars of the Mineral Development Strategy

To realize our vision for mineral development, this Strategy is based on five key pillars. These pillars are based on extensive engagement with industry and NWT residents. Each pillar will help to fulfill the vision of the *NWT Mineral Development Strategy* while ensuring the integrity of the principles and providing benefits to NWT residents.

Pillar One:

Creating a Competitive Edge: Establish the NWT as a destination of choice for responsible minerals investment, exploration and development.

Pillar Two:

Establishing an Improved NWT Regulatory Environment: Improve client service and increase certainty.

Pillar Three:

Enhancing Aboriginal Engagement and Community Capacity Building: Establish effective engagement, consultation and community capacity building processes.

Pillar Four:

Promoting Sustainability: Ensure a lasting legacy including environmental stewardship and protection.

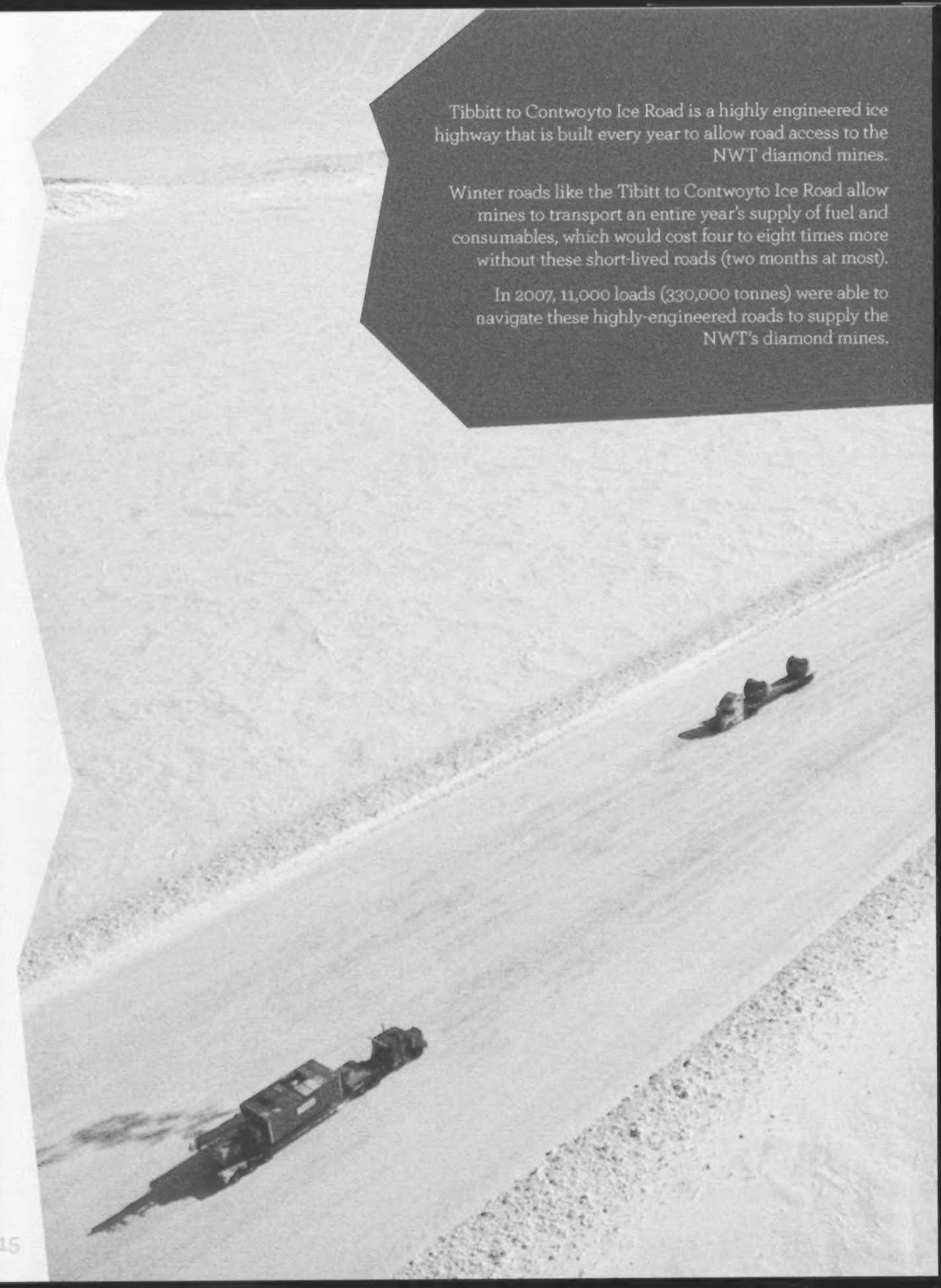
Pillar Five:

Enriching Workforce Development and Public Awareness: Develop an educated, trained and readily available northern workforce and an awareness of the importance and impacts of the minerals industry

Goals

Several broad goals have been identified under each of the Strategy's five Pillars. These goals will be reviewed and evaluated regularly based on the progress of actions initiated to achieve the objectives of the Strategy. The goals and rationale for prioritizing each pillar are outlined below.

Recommended actions stemming from the public consultation process are contained in *Appendix A*. These recommendations are actions that governments, Aboriginal organizations, industry, and communities can take to ensure a vibrant and robust mining industry into the future. These recommendations will be taken into consideration in the development of Implementation Plans. These Plans will detail actions and timelines associated with the Mineral Development Strategy. Further information regarding the Implementation plans are outlined in the "Implementation and Performance Management Plan" section of this document.



Tibbitt to Contwoyto Ice Road is a highly engineered ice highway that is built every year to allow road access to the NWT diamond mines.

Winter roads like the Tibitt to Contwoyto Ice Road allow mines to transport an entire year's supply of fuel and consumables, which would cost four to eight times more without these short-lived roads (two months at most).

In 2007, 11,000 loads (330,000 tonnes) were able to navigate these highly-engineered roads to supply the NWT's diamond mines.

Courtesy Sea bridge Resour

Pillar One: Creating a Competitive Edge

Strengthening the competitive advantage of the mineral and mining industry in the NWT is the first component of the *NWT Mineral Development Strategy*.

The exploration and mining industry operates in a global market and the NWT must be positioned to compete for investment and development. In determining where to invest, junior and major companies evaluate jurisdictions on the basis of mineral potential and also in terms of political and economic risk. The NWT must strengthen its position by addressing weaknesses in the investment climate and identifying areas that it can improve to make it an increasingly attractive place to do business.

Enhancing Public Geoscience Information

Enhanced, detailed and current public geoscience information attracts investment for mineral exploration. Public geoscience maps, data and reports reduce the cost and risk of exploration by allowing companies to identify areas of high mineral potential, reducing the need to spend time and money exploring less prospective ground. In addition, geoscience information also informs government policy decisions in respect to land use planning, infrastructure development and environmental protection. Geoscience information is a key component in initiating and sustaining a mining cycle. At the other end of this cycle, mine remediation activities are also strongly informed by detailed geoscience information.

In addition to this Strategy, the vision of the *Northwest Territories Geoscience Office* Strategic Plan identifies the need to bolster the capacity and availability of geoscience information in the NWT.

Exploration Incentive Programs

The NWT has excellent potential for new mineral discoveries by virtue of its large land area, favourable geology, and the fact that it has been less intensively explored in comparison to many other jurisdictions. Mineral exploration is a high-risk enterprise. It is estimated that less than 1 of every 1,000 exploration projects will result in an operating mine. It is recognized that grassroots exploration in the NWT has languished compared to other Canadian jurisdictions including Nunavut and Yukon. It has also fallen well below levels required to enhance new discoveries. To increase the NWT's competitive edge, one can look to other provinces and territories that provide mineral exploration incentive programs that assist

prospectors and exploration companies to raise venture capital. Exploration incentive programs attract investment from both prospectors and exploration companies. The revitalization of mineral exploration incentive programs is an excellent means to demonstrate that the NWT is open for business.

The Yukon saw tremendous results utilizing minerals exploration incentives to help "kick start" mineral exploration and development following their Devolution Agreement.

Infrastructure and Energy

Limited infrastructure and access to domestic energy potential translates into opportunities for improvement in the territory. These opportunities would provide benefits to both communities and promote mineral development. The GNWT released *Corridors for Canada III — Building for Prosperity*, which outlines the government's investment plan for $600 million over ten years to improve the territory's winter roads, highways, bridges, marine, and airport infrastructure. In addition to this, the GNWT continues to consider ways to better access the resources in the Slave Geologic Province, the area with the most geological potential. With improved access, a major barrier will be removed, companies can get on the ground, and communities will receive the benefits of increased access and be poised to benefit from increased activity. Improving the road network and energy infrastructure paves the way for opportunity. The Department of Transportation is developing a *Multi-Modal Transportation Strategy* that will build on the MDS.

The 2013 *NWT Energy Action Plan* and *NWT Power System Plan* are also being developed in concurrence to this Strategy, and will lay the groundwork for the vision of energy in the NWT. The investment in our resource sector and commercial success of our communities is connected to the availability of affordable and reliable energy. Looking to extend the hydro grid could potentially lower the cost of energy to communities and stimulate the resource sector, ensuring a strong economic future for the NWT.

Marketing and Promotion

Marketing and promotion opportunities are central to strengthening the NWT position both nationally and internationally. If we are to renew exploration and mining investment, then investors need to know about our excellent mineral potential, our comprehensive geoscience knowledge base, our improved regulatory regimes, our accessible infrastructure and our growing skilled workforce. These are important factors in the investment decisions of the global exploration and mining industry. These advantages are of little importance, however, if investment decision-makers are not aware of them. Successful mining jurisdictions put considerable effort into marketing their potential and if the NWT is going to compete, it will have to do likewise. The NWT must be known as a place that it is an attractive investment opportunity, is multi-faceted, competitive and open for business.

Pillar One Goals:

- World-class geoscience information is publicly available and contributes to enhancing exploration and development activity in the NWT
- Expenditures in grassroots exploration activities in the NWT increase yearly and the NWT increases its share of total Canadian exploration investment
- Investment in infrastructure and energy development in the NWT improves access to mineral potential
- Investors in North America and globally see the NWT as an attractive place to invest in mineral development

Pillar Two: Establishing a New Regulatory Environment for the NWT

Regulatory Clarity and Process Certainty

Devolution presents a unique opportunity for the GNWT to work collaboratively with Aboriginal governments, communities, industry and other stakeholders to make NWT regulatory and consultation processes more efficient, timely and transparent. It is in the government's best interest to work collaboratively on issues related to land and resource management. By creating a strong regulatory framework that clearly outlines consultation requirements, processes and timing, companies will have increased clarity regarding regulatory process expectations. There are several opportunities for the GNWT and other partners to make value-added changes to enhance regulatory clarity which will increase investor confidence in the NWT.

Client Service and Responsive Decision-Making

The devolution of responsibility for managing lands, waters and mineral resources from the federal to the territorial government will be one of the most important steps in the political development of the NWT. It will provide an opportunity for governments to examine its current client services and identify areas for improvement. The territorial government will be better able to support more efficient decision-making.

Prior to devolution, the Northern Project Management Office (NPMO) under the Canadian Northern Economic Development Agency (CanNor) is helping to fill that gap. The GNWT will work cooperatively with CanNor and NPMO to facilitate the effective and transparent environmental impact assessment and regulatory process framework for resource development and infrastructure projects in the NWT. CanNor, through the NPMO, and the GNWT will also work to align their respective efforts to foster positive economic outcomes for the people and communities of the NWT.

Pillar Two Goals:

- Increase efficiency, timeliness and transparency in regulatory processes in the NWT
- Improve client services and increasingly responsive decision-making related to NWT regulatory processes
- Increased cooperative initiatives with NPMO
- All stakeholders are knowledgeable about the regulatory processes that the Mining sector is subject to

Pillar Three: Enhancing Aboriginal Engagement, and Capacity

The need to ensure adequate engagement and participation with Aboriginal governments and communities in decisions about the use of land and resources is a core principle of the Strategy. Early, comprehensive and coordinated consultation and engagement by industry, Aboriginal organizations and governments is necessary to move mineral exploration and development forward in a timely manner. Clarity regarding the roles, responsibilities and expectations of industry, government and Aboriginal groups is fundamental to improving the engagement process. Early meaningful engagement sets the stage for positive relationships that help to create certainty, economic and environmental sustainability.

Aboriginal and Community Engagement

Early engagement with Aboriginal organizations during the exploration phase is crucial as it ensures all perspectives and interests are considered. Adequate engagement and consultation will continue to secure mining as one of the cornerstones of the NWT economy into the future. Developing and defining a clear path forward through the development of a mapped out engagement process for industry will ensure this. The engagement process should identify what is expected of resource companies and identify when, how and with whom engagement should occur.

Building Community Capacity

Communities identified the need for significant capacity in order to be effectively engaged and participate in mineral exploration and development projects. Relevant experience and expertise is mandatory should communities want engagement and participation in environmental review and negotiation processes. Communities will be able to determine their strengths, weaknesses, and core needs through community-driven needs assessments.

A path toward Aboriginal engagement: the Akaitcho Dene Memorandum of Understanding

With both the NWT mining industry and Aboriginal groups in the territory looking to plan for the future, agreements like the Memorandum of Understanding with the Akaitcho Dene First Nation provide both sides with a clearly defined partnership designed to benefit both the companies investing in mineral development and those groups that are ultimately affected by development. In negotiating this landmark agreement and resolving past conflicts, investment in the Akaitcho territory has increased, making it a step forward for industry and for Aboriginal engagement in NWT mineral development projects.

Pillar Three Goals:

- Aboriginal governments are better positioned to effectively participate in all stages of the mineral development process in the NWT
- Communities are able to effectively participate in regulatory processes
- Communities are able to benefit from opportunities as a result of mineral exploration and development

Bull caribou at Courageous Lake area
Courtesy of Seabridge Resources

Pillar Four: Promoting Sustainability

Sustainable development is a priority of the territorial government and is reflected in the *Sustainable Development Policy*. Development decisions made today ultimately affect the future of the NWT. While mineral development contributes substantially to the economic viability of NWT communities, there is a need to ensure that the negative long-term impacts of mining are minimized to protect and maintain the land and its people.

Land Use Planning

Land Use Planning provides certainty to the mineral exploration and development industry. Key land use planning processes are:

- The *Land Use and Sustainability Framework* (LUSF) will guide the GNWT in making land management decisions and provide transparency and consistency in regards to the interests the GNWT will bring when working with Aboriginal governments and other land partners;
- *Regional Land Use Plans* which set out what activities are allowed or not in specific areas; and
- *NWT Protected Area Strategy* (PAS) which helps identify and advance areas of special ecological or cultural significance for consideration as protected areas.

Implementation or completion of these and other tools are essential to create the clarity and certainty required for industry working in the NWT.

Continued development of the new *Wildlife Act* establishes enhanced mitigation and monitoring efforts which will minimize impacts on wildlife when exploration and development is underway.

Through engagement in the regulatory process from exploration to construction, operation and reclamation, all parties can ensure that development happens in a sustainable way and projects are managed to make certain that the environment is protected and negative effects are mitigated as effectively as possible.

Sustainable Development

The GNWT recognizes that sustainable development of resources in conjunction with the protection, conservation and enhancement of the environment is essential to the long-term prosperity and well-being of NWT residents in all communities. Sustainable development, at its most

basic, is the development of natural resources in a manner that ensures economic, social and cultural needs are met while maintaining ecosystem integrity and biological diversity and without compromising the ability of future generations to meet their needs. It is therefore a shared responsibility among government, industry and Aboriginal partners.

Sustainable Communities

Mining developments do impact communities, however governments, both public and Aboriginal, have a responsibility to secure a positive legacy. In addition to this, industry is becoming increasingly aware of the essential requirement for corporate social responsibility in addition to negotiating and implementing Socio-Economic Agreements (SEA) and Impacts and Benefits Agreements (IBA).

SEAs establish commitments with mining operators in respect to human resource development, employment practices, business development, and social well-being. These agreements are among the best instruments that the GNWT has to promote widespread benefits from mineral development. With each new agreement established, SEAs continually improve.

Pillar Four Goals:

- Land use planning processes (including LUSF, land use plans and the Protected Areas Strategy) are completed and implemented in the NWT
- Effective mine reclamation planning, execution, inspections and monitoring are adopted
- Responsible and sustainable development through sound environmental practice is conducted through all phases of exploration and development which is incorporated into mineral development investment decisions
- The impacts of development are adequately mitigated and carefully monitored
- The Socio-Economic Agreement process is further improved upon
- Businesses are better equipped to respond to opportunities created by sustainable mineral development in the NWT
- Benefits of mineral development accrue to Aboriginal communities and all NWT residents

Pillar Five: Enriching Workforce Development and Public Awareness

As with any business, the strength of the NWT mining industry is its people. Skilled employees contribute their knowledge and experience to support the future growth and expansion of mining exploration, which will revitalize and strengthen the mining industry. About half of the mine workforce is made up of NWT residents. The number of mining jobs could grow significantly in the short term if current advanced projects enter production when currently estimated.

Enhancing Northern Workforce and Education

This Strategy aims to ensure that increasing the participation of NWT residents in the mining workforce is a priority. Continued investments in education and training help to ensure NWT residents take full advantage of the opportunities available to them. In addition to this Strategy, the GNWT continues to work on a number of additional strategies that identify the needs required to maximize the participation of NWT residents in the mining workforce. Continued and emerging initiatives are underway to help to improve student achievement, increase graduation rates and bring awareness to opportunities in the resource sector. For individuals pursuing employment within the mining industry, having more readily available labour market information will highlight the education, training, skills, trades and experience required. This Strategy aims to ensure that increasing the participation of NWT residents in the mining workforce is a priority.

The GNWT, the Government of Canada, Aboriginal governments, communities, industries, businesses, educational institutions, and other organizations all have a role to play in providing education, training and employment support. Through collaboration, labour market partners can enable NWT residents to participate in the workforce and take advantage of current and future and employment opportunities.

Training and Transferable Skills

NWT minerals training is successful due to the fact that it is demand-driven. Enrolment in training programs is geared to the industries identified labour needs. All aspects of mine training, including providing training for workers to help to adapt to the wage economy and demands of the mining work environment are available.

The Strategy identifies that transferable skills are the basis of a flexible and adaptive workforce that is responsive to industry needs. Transferable skills support the availability and labour mobility of a ready and able NWT workforce.

It is not only the government's responsibility, rather it is a collaborative effort to guarantee a skilled workforce, it is also up to Aboriginal governments, communities and industries all play a role in ensuring the proper tools are in place to ensure NWT residents are able to take full advantage of current and future opportunities.

Developing Business Capacity

The minerals industry has created significant business opportunities. Several NWT and Aboriginal businesses have grown from small scale operations to multi-million dollar companies and corporations with highly diversified portfolios as a result of contracts with the minerals industry. These businesses, as NWT-based companies, are much more likely to source workers, goods and services from the north and in turn create significant NWT employment and spending. The benefits of these businesses therefore naturally accrue to NWT communities and families. The ability to take advantage of, and expand on, these opportunities is critical to ensuring that northern communities and individuals benefit from mineral development to the greatest extent possible.

Increasing Public Awareness

Knowledge leads to better decision-making. A coordinated NWT-wide mining public awareness campaign will help to increase NWT residents' understanding of the industry and the associated educational requirements, training opportunities and employment possibilities. A public awareness campaign will also facilitate two-way communication between the GNWT, residents and labour market stakeholders. Increasing public awareness of the opportunities in mining will ultimately support the development of a skilled and educated NWT workforce.

Pillar Five Goals:

- Enable Northerners to participate in the workforce and benefit from the employment opportunities in the mineral resource development sector
- Develop an educated, skilled and trained northern workforce that meets the mining sector's current and future needs
- Improve student achievement, increase high school graduation rates
- Develop and implement training and certification standards for the mining sector
- Increase Northerners' understanding of the mining industry and the associated educational requirements, training opportunities and employment possibilities
- Work with the mineral development sector to promote, develop and deliver educational and career related programs to students and other interested Northerners

Developing Business Capacity: Kwe Beh Working Group

The NWT mining industry works closely with NWT residents to ensure that as much of the benefits accrue to those that live and work in mining, and in some cases, this is seen through Impact and Benefits agreements with Aboriginal groups around the territory.

Working groups such as the Kwe Beh Working Group not only work to develop strong relationships with mines in the Tlicho region, but meet to address the challenges and maximize the opportunities that are available in the NWT mineral development industry.

Geoscience students at Prairie Creek project.
Courtesy Canadian Zinc

STRATEGY REVIEW

As adjustments, changes and revisions may be required from time-to-time, the Strategy will be reviewed by the GNWT and NWT and Nunavut Chamber of Mines every five years. Ensuring that the Strategy maintains its relevancy and evolves to the changing needs of the North will continue to be a key component.

IMPLEMENTATION AND PERFORMANCE MANAGEMENT PLAN

Implementing the *NWT Mineral Development Strategy* will require a concerted and coordinated effort from all parties including industry, Aboriginal governments, communities, and particularly, the GNWT.

The territorial government will take the lead in developing annual implementation plans that detail specific commitments, actions and anticipated results with clear linkages to the vision, principles and individual pillars of the Strategy. The implementation plans will include:

- Strategic Action Description/Rationale
- Linkage to Strategic Pillars
- Activities and Tasks
- Lead Responsibility
- Strategic Partner Support
- Resources Required
- Timelines
- Anticipated Outputs
- Anticipated Outcomes.

The plans will be developed in collaboration with strategic partners to ensure that all parties agree with, and are willing to participate in, those actions and activities in which they are directly involved.

The GNWT implementation plans will include results reporting requirements that clearly link the outcomes of the actions to the strategic vision, principles and specific pillars. The partners will present an annual report, both in the Legislative Assembly and publicly, on the strategic actions and the overall results of the Mineral Development Strategy. Results reporting will include measurements of success in achieving goals and objectives of the Strategy and will also be used to adjust actions where necessary. Through these methods all partners, stakeholders and the public at large will be able to determine the effectiveness of the Strategy in both the short and the long term.

CONCLUSION

Responsible and sustainable mineral exploration and development is essential to ensuring lasting benefits for all NWT residents. As the largest private sector contributor to the NWT economy, the mining industry is also the largest private sector employer. Mining also generates significant revenues for northern businesses, nearly half of which are Aboriginal-owned, and for governments in taxes. Both public and Aboriginal governments share the mining royalties.

Mines don't last forever, and mineral reserves for the existing operating mines are declining with operations projected to shut down over the next 5 to 15 years. To sustain and grow our mining benefits, we will take a variety of actions as identified in this Strategy that can help increase exploration investment and can help our existing mines to increase their mine lives.

The *NWT Mineral Development Strategy* is intended to support responsible and sustainable mineral development in the NWT and address priorities established by the 17th Legislative Assembly and the people of the NWT. The Strategy identifies initiatives and pathways for balanced mineral development that will protect the environment, respect Aboriginal cultures and lifestyles, and leave northerners with a lasting positive legacy and heritage.

Winter exploration on the tundra. Courtesy Aurora Geosciences Ltd.

APPENDIX A: SUMMARY OF RECOMMENDATIONS

The Stakeholders Engagement Panel Report was the result of the consultation process conducted as part of the development of the Mineral Development Strategy. The following is a summary of the recommendations that the panel developed based on input from stakeholders, Aboriginal groups and Governments. Analysis and implementation of these actions are a significant part of the implementation plans going forward and are central to achieving the goals of this Strategy.

Creating a Competitive Edge

1. The GNWT should position the NTGO as the principal source of public geoscience knowledge about the economy, land and resources of the Northwest Territories. With respect to mineral development, this will require, at a minimum, sufficient core funding for (a) a robust geoscience mapping program, (b) a state-of-the-art system to disseminate information over the Internet, and (c) adequate support for mineral rights administration.
2. The GNWT should engage Aboriginal governments to determine whether NTGO can play a role in providing geoscience knowledge pertaining to their private lands. Any such work would be contingent on the understanding that the results would become public.
3. The GNWT should institute a Mining Incentive Program (MIP) comprising a revamped prospector's assistance grant scheme and mineral exploration tax credits. The MIP could be modelled on successful programs in other jurisdiction, but funding levels should take into account the intrinsically higher costs of doing exploration in the NWT. The costs associated with Aboriginal and community consultation should be considered as eligible exploration expenses for the purposes of the MIP as well as for work requirements for assessment purposes.
4. The GNWT should seize the opportunity afforded by devolution to begin a campaign to make it known that the investment climate in NWT is improving and the NWT will be "open for business". The campaign would be multi-faceted and include annual trade missions to key capital market centres, an outreach newsletter campaign from the Minister's office, and organization Fam/Orientation tours. There are several marketing opportunities during the year leading up to devolution taking effect on April 1, 2014. These include the Mines Ministers Conference to be held in Yellowknife in August 2013, the Yellowknife Geoscience Forum in November 2013, the Exploration Round-up in January 2014, and culminating with PDAC in March.
5. The GNWT should work with the mining industry, business associations, and Aboriginal governments to develop a marketing and investment promotion plan. This strategic partnership could be formalized with the creation of a "NWT Mining Alliance", under the leadership of the Minister of EMPR. This partnership would spread the workload and develop towards consistent messaging, branding the NWT as a good place to do business.
6. Government must develop a clear vision for the future of energy development in the NWT; concluding the NWT 2013 Energy Plan will be a critical component of this process.
7. The GNWT, in partnership with industry and Aboriginal governments, should develop a focused business case to solicit federal government funding support for infrastructure development in NWT that will realize a return on the investment.
8. Government needs to fast track the assessment of Liquefied Natural Gas (LNG) potential in the NWT as part of its energy development plan.
9. Responsibility for all energy policy and programs should be centralized in the new Department of Energy, Mines and Petroleum Resources.
10. The GNWT should undertake a resource access corridor study that will help to coordinate planning, assist with the overall prioritization of investment decisions, and mitigate environmental effects of resource development projects. The study should proceed on a regional basis so that areas which are most likely to host mining development in the short term are dealt with first.

Creating a New Regulatory Environment for the NWT

11. The GNWT should to work with the federal and Aboriginal government where possible to support the expeditious conclusion of land claims.
12. The GNWT needs to support the timely completion and lead the effective implementation of Canada's Regulatory Reform Action Plan.
13. The GNWT should capitalize on the opportunities provided by devolution by providing a comprehensive Pathfinder Support Service to help industry to navigate the regulatory and consultation process. This client service will focus on providing clear and concise regulatory and consultation pathway documents for industry to follow. The efforts of emerging Aboriginal engagement groups such as the Kwe Beh Working Group will be supported by this initiative.
14. The GNWT should establish an Industry Advisory Board, comprising representatives of junior and major mining companies, Aboriginal businesses, prospectors, and the Chamber of Mines, to provide policy and strategic advice to the Minister, EMPR.
15. To complement the Pathfinder Support Service, the GNWT should initiate a "one-window" service model to provide clients with one-stop access to information and services that expedites decision making related to mining projects.
16. The GNWT should assess opportunities to advance computer map staking following devolution.
17. In the two to three-year immediate transition period following devolution, the GNWT should focus its attention and resources on administrative and organizational improvements that can be put into play without introducing legislative amendments. After this critical transition period, the GNWT should be experienced and well positioned to initiate the development of a new leading edge Mineral Resource Act.

Aboriginal Engagement and Capacity Building

18. Aboriginal governments should develop Engagement Roadmaps that clearly establish their expectations for engagement and the process by which it should occur. Although this work would be led by Aboriginal governments, the GNWT could play an important supporting role in providing financial and technical resources, and facilitating inter-governmental communication.
19. Aboriginal governments should consider establishing an NWT Aboriginal Mining Council. Such a group would promote consensus and allow Aboriginal people to speak with a stronger voice on important exploration and mining issues.
20. Aboriginal communities should assess their capacity to deal with the engagement and environmental review requirements associated with mineral development. The GNWT, in collaboration with CanNor, should assist in the development of community capacity-building plans, by providing technical and financial support.

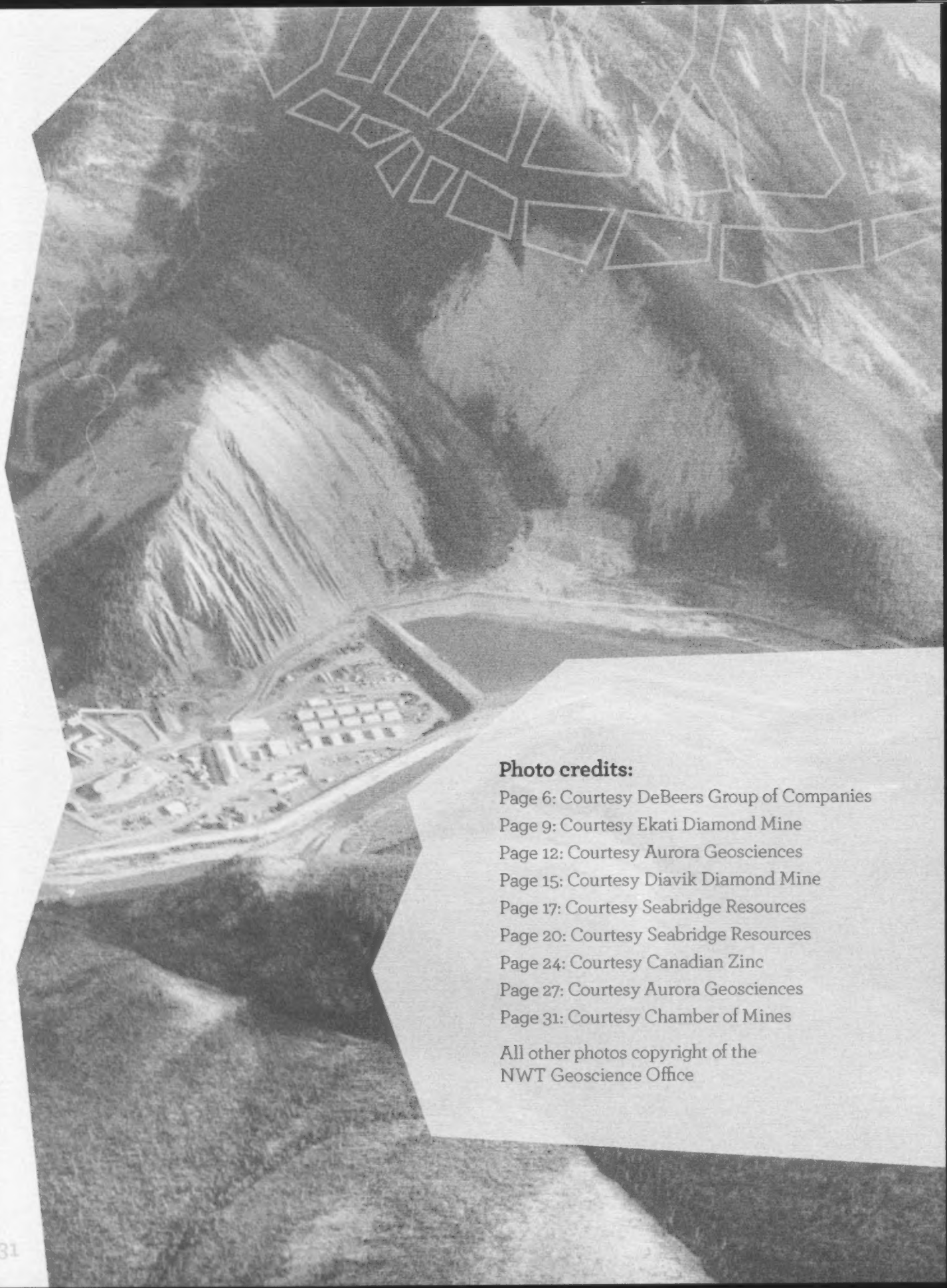
Sustainability

21. Given the importance attached to the completion of Land Use Plans, the GNWT should take advantage of its increased responsibilities following devolution to expedite the planning process. This could include planning for those areas where it has jurisdiction (e.g., on Crown lands in the Tlicho settlement area) and providing technical or financial support to Aboriginal governments to advance their own planning initiatives.
22. The GNWT should review the Protected Areas Strategy with a view to defining the ultimate extent of the network. The open-ended character of the current process leads to significant uncertainty.
23. As a priority, the GNWT should ensure that a legally-enforceable progressive mine reclamation and security policy, with associated regulations, is in place at or soon after the devolution effective date.
24. Following devolution, the GNWT must ensure inspections and monitoring of mineral development and mine operations are undertaken in a timely and fully transparent manner.

25. The GNWT should continue to improve the Socio-economic Agreement process, one of the most useful instruments to enhance the benefits that residents receive from mineral development. In order to increase accountability and also increase awareness of the positive benefits of mining, the GNWT should make both company and GNWT annual SEA reports available on a single website.
26. The GNWT should implement an integrated annual awards program that emphasizes recognition for industry environmental and sustainability best practices, including an award recognizing an individual or a corporation's contributions to the economic and social development of a community or region in NWT.
27. The GNWT should establish a Northern Minerals Business Office within EMPR to help local businesses develop opportunities and expand their horizons. This office could create an inventory of industry needs and of northern businesses that can meet them. It could also encourage established mining industry service firms to establish a presence in the NWT, and facilitate an enhanced NWT business presence at important mining industry trade shows. The office could also serve as the focal point of efforts on the part of civil society (Chamber of Mines, Chambers of Commerce, CDETNO, etc.), as well as municipal and Aboriginal governments to attract and promote local businesses.
28. The GNWT should continue to develop the concept of a Heritage Fund with a view to having it in place by the time that royalties begin to accrue as a result of devolution.

Workforce Development and Public Awareness

29. The GNWT should take the lead role to identify the current and future minerals labour force needs and the available northern workforce in all NWT communities. This could build on the 2011 labour market assessment undertaken by the Regional Training Partnership in the South Slave, North Slave and Dehcho regions.
30. Mining companies should expand their recruitment efforts to other NWT communities should their needs not be met from those specified in their IBAs and SEAs.
31. The GNWT should continue its efforts to increase participation and graduation rates in secondary schools, particularly in Aboriginal communities.
32. The GNWT Department of Education, Culture and Employment should ensure that Earth Science and Geology are well represented in its academic curriculum.
33. Governments and industry should collaborate to ensure that students are aware of career opportunities in mineral exploration and mining.
34. Industry, public and Aboriginal governments must continue to press the federal government to fund the Pan-Territorial Northern Mineral Workforce Development Strategy and, of course, follow through on their own commitments to the plan.
35. Training opportunities should be made more available across the NWT by increasing the participation of Aboriginal governments in the Mine Training Society.
36. The GNWT should re-introduce the Prospector Training Program. This could be delivered by Aurora College.
37. The GNWT and industry should work toward developing common training and skills standards between operating mines in the NWT so that workers could move more easily between mines.
38. The GNWT together with industry and Aboriginal governments should develop a sustained public awareness campaign. Although the GNWT would not necessarily lead the campaign, it could start the process by convening a working group of the interested parties.



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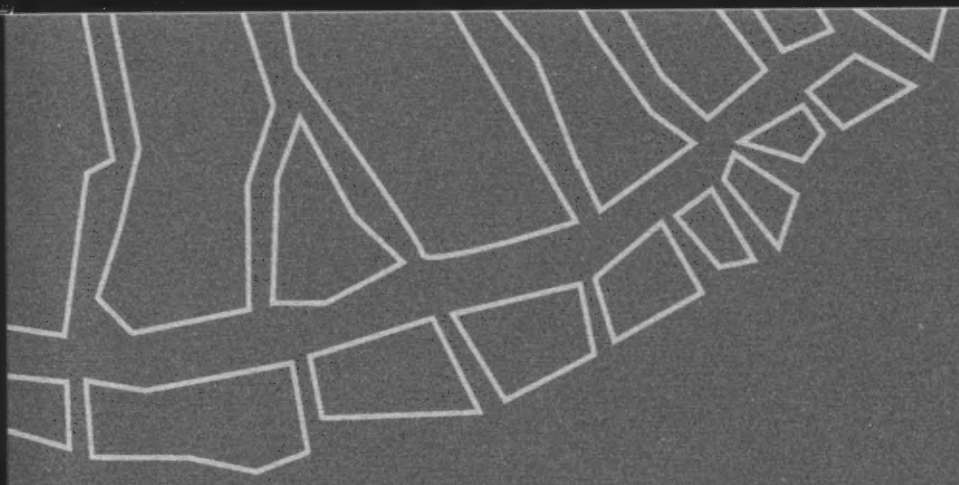

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